



# Defense Logistics Agency

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## DLA Receipting Way Ahead

**Briefing for: Supply PRC  
Mr. Don Virostko**



# DLA Receipting Way Ahead

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## OVERVIEW

- Background/IPT Membership
- Findings and Causes
- Way Ahead & Milestones



# Background

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- **Prompt Pay Act mandates government receipt/acceptance (may occur at origin or destination) as prerequisite for DoD paying vendors for goods and/or services**
  - **Financial risk to DLA: Lack of timely destination acceptance/receipt acknowledgment results in late payment and interest penalties**
- **Financial Management Regulation requires that receipt be acknowledged prior to billing customer**
  - **Financial risk to DLA: Lack of timely receipt acknowledgement on shipments accepted at origin delays customer billing for reimbursement on vendor-filled requirements.**
- **OSD mandates and Services acknowledge Wide Area Work Flow (WAWF) as future authoritative source for invoice, acceptance and/or documentation to make payment**
  - **DLA concerns: Capability not fully integrated within Service applications pending full deployment under ERP/modernization - variations in implementation by Services, DLA contracts must specify WAWF reporting, requires coordination with ship-to to assure destination acceptor will be available.**
- **TEB tasked J8, then J-31, to analyze receipt-related processes and recommend short and long term way ahead**
  - **We have a business need to fix this now!**



# Membership

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- **IPT Membership**
  - J-31/J-33/J-35/J-36/J-37/J-43/J-62/J-74/J-88
    - o DDC
    - o DLMSO
    - o DORRA
    - o DSCC
    - o DSCP
    - o DSCR



# IPT Findings

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- Value of Customer Direct (CD) lines = \$2B (Jan-Mar 07)
  - CD lines wo/customer response < 10% of total lines and 20% of \$'s\*
    - Value wo/customer response = \$394M (only one qtr could exceed \$1B for a year)
      - 96% are Non-FAST Pay = \$380
  - Data drilldown enables identification of low response rate customers

\*(data source DSS-BOFO30 and DORRA SAP extract - Jan-Mar 07)

- **Causes**

- Lack of compliance with policy/procedures and system inadequacies
    - Absence of standard processes for non-standard ordering (TVR)
  - IPV receipt requirement not stipulated
  - Some MRA's not posted, hung in OF159 IDOC errors
  - Data warrants evaluation of EBS edits and customer construction of MRA transactions
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# Way Ahead/Milestones

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- **Governance**
    - **Develop and staff, via DLMSO, DoD level applicable procedures**
    - **Explore feasibility of incorporating Services receipt/acceptance reporting tools in PBA annexes**
      - **Incorporate metrics into PBA where applicable**
  - **Next step**
    - **Continuously work to identify target customers**
      - **Jointly work to resolve issues with customers**
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